

112TH CONGRESS  
2D SESSION

# H. R. 6317

To amend the Financial Stability Act of 2010 to repeal certain designation authority of the Financial Stability Oversight Council, to repeal the Payment, Clearing, and Settlement Supervision Act of 2010, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2012

Mr. GARRETT introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Financial Stability Act of 2010 to repeal certain designation authority of the Financial Stability Oversight Council, to repeal the Payment, Clearing, and Settlement Supervision Act of 2010, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-  
2 tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Terminating the Ex-  
5 pansion of Too-Big-To-Fail Act of 2012”.

1   **SEC. 2. REPEAL OF DESIGNATION AUTHORITY UNDER THE**  
2                   **FINANCIAL STABILITY ACT OF 2010.**

3       (a) IN GENERAL.—The Dodd Frank Wall Street Re-  
4 form and Consumer Protection Act (Public Law 111–203)  
5 is amended—

6                   (1) in section 102 (12 U.S.C. 5311)—  
7                      (A) in subsection (a)—  
8                          (i) by striking paragraph (4); and  
9                          (ii) by amending paragraph (7) to  
10                         read as follows:

11                 “(7) SIGNIFICANT BANK HOLDING COMPANY.—  
12                 The term ‘significant bank holding company’ has the  
13                 meanings given to it by rule of the Board of Gov-  
14                 ernors.”; and

15                   (B) by striking subsection (c);  
16                   (2) in section 112 (12 U.S.C. 5322)—  
17                      (A) in subsection (a)—

18                          (i) in paragraph (1)(A), by striking  
19                         “or nonbank financial companies”; and

20                          (ii) in paragraph (2)—  
21                              (I) in subparagraph (A), by strik-  
22                              ing “and nonbank financial compa-  
23                              nies”;

24                              (II) by striking subparagraphs  
25                              (H) and (J);

1 (III) by redesignating subparagraphs  
2 (I), (K), (L), (M), and (N) as  
3 subparagraphs (H), (I), (J), (K), and  
4 (L), respectively;

5 (IV) in subparagraph (H), as so  
6 redesignated, by striking “nonbank fi-  
7 nancial companies and”;

(V) in subparagraph (I), as so redesignated, by striking “, nonbank financial companies.”; and

11 (VI) in subparagraph (L), as so  
12 redesignated—

(aa) by striking clause (iv);

14 and

15 (bb) by redesignating  
16 clauses (v) and (vi) as clauses  
17 (iv) and (v), respectively; and

18 (B) in subsection (d)—

19 (i) in paragraph (3)—

20 (I) in subparagraph (A), by strik-  
21 ing “nonbank financial company or”  
22 each place such term appears;



1 PANIES” and inserting “BANK HOLD-  
2 ING COMPANIES”;

3 (II) by striking “foreign nonbank  
4 financial companies supervised by the  
5 Board of Governors or”; and

6 (III) in subparagraph (B), by  
7 striking “foreign nonbank financial  
8 company or”; and

9 (ii) in paragraph (3)—

10 (I) in subparagraph (A)—

11 (aa) by striking “nonbank  
12 financial companies supervised by  
13 the Board of Governors and”;  
14 and

15 (bb) in clause (i), by insert-  
16 ing before the semicolon the fol-  
17 lowing: “(as in effect on the day  
18 before the date of the enactment  
19 of the Terminating the Expan-  
20 sion of Too-Big-To-Fail Act of  
21 2012)”; and

22 (II) in subparagraph (B), by in-  
23 serting after “section 113” the fol-  
24 lowing: “(as in effect on the day be-  
25 fore the date of the enactment of the

Terminating the Expansion of Too-Big-To-Fail Act of 2012”;

3 (D) in subsection (c)—

4 (i) in paragraph (1), by striking  
5 “nonbank financial companies supervised  
6 by the Board of Governors and”; and

7 (ii) in paragraph (3)—

16 (E) in subsection (d)—

20 (ii) in paragraph (2)—

(I) by striking “nonbank financial company supervised by the Board of Governors and”; and

(II) by striking “significant nonbank financial companies and” each place such term appears;

(F) in subsection (e), by striking “nonbank financial companies supervised by the Board of Governors or”;

(G) in subsection (f), by striking “and by nonbank financial companies supervised by the Board of Governors”; and

(H) in subsection (g), by striking “, nonbank financial companies supervised by the Board of Governors.”;

13 (5) in section 116 (12 U.S.C. 5326)—

(A) in subsection (a), by striking “or a nonbank financial company supervised by the Board of Governors”; and

17 (B) in subsection (b)—

(ii) in paragraph (2), by striking “and nonbank financial company supervised by the Board of Governors”.

<sup>24</sup> (6) in section 117 (12 U.S.C. 5327)—

10 (B) in subsection (c)—

16 (ii) in paragraph (2), by striking sub-  
17 paragraph (C);

20 (8) in section 120 (12 U.S.C. 5330)—

(A) in subsection (a)—

24 (ii) by striking “and nonbank finan-  
25 cial companies”; and



1           “(2) taking into account the extent to which the  
2 foreign-based bank holding company is subject on a  
3 consolidated basis to home country standards that  
4 are comparable to those applied to bank holding  
5 companies in the United States.”;

6           (10) in the heading for subtitle C, by striking  
7 **“Certain Nonbank Financial Companies  
and”**;

9           (11) in section 155(d) (12 U.S.C. 5345(d)), by  
10 striking “and nonbank financial companies super-  
11 vised by the Board of Governors”;

12           (12) in section 163 (12 U.S.C. 5363)—

13               (A) by striking subsection (a),

14               (B) by redesignating subsection (b) as sub-  
15 section (a); and

16               (C) in subsection (a), as so redesignated,  
17 by striking “or a nonbank financial company  
18 supervised by the Board of Governors” each  
19 place such term appears;

20           (13) in section 165 (12 U.S.C. 5365)—

21               (A) in the heading for such section, by  
22 striking **“NONBANK FINANCIAL COMPANIES  
SUPERVISED BY THE BOARD OF GOV-  
ERNORS AND”**;

25               (B) in subsection (a)(1)—

4 (ii) in subparagraph (A), by striking  
5 “nonbank financial companies and”;

6 (C) in subsection (b)—

11 (ii) in paragraph (2)—

17 (II) by striking “foreign nonbank  
18 financial company supervised by the  
19 Board of Governors or”; and

(III) in subparagraph (B)—

21 (aa) by striking “foreign fi-  
22 nancial company” and inserting  
23 “foreign-based bank holding com-  
24 pany”; and

1 (bb) by striking “financial  
2 companies” and inserting “bank  
3 holding companies”;

4 (iii) in paragraph (3)—

5 (I) by inserting after “section  
6 113” each place such term appears  
7 the following: “(as in effect on the day  
8 before the date of the enactment of  
9 the Terminating the Expansion of  
10 Too-Big-To-Fail Act of 2012); and

15 (iv) in paragraph (4), by striking “a  
16 nonbank financial company supervised by  
17 the Board of Governors or”;

18 (D) in subsection (c)—

19 (i) in paragraph (1)—

(I) by striking “nonbank financial company supervised by the Board of Governors and”; and

23 (II) by striking “bank holding  
24 companies” and inserting “bank hold-  
25 ing company”; and

(ii) in paragraph (2)(D), by striking “nonbank financial company supervised by the Board of Governors or a”;  
(E) in subsection (d)—  
    (i) by striking “nonbank financial company supervised by the Board of Governors and” each place such term appears;  
    (ii) in paragraph (1), by striking “bank holding companies” and inserting “bank holding company”;  
    (iii) in paragraph (2)—  
        (I) by striking “significant nonbank financial companies and” each place such term appears; and  
        (II) by striking “bank holding companies” and inserting “bank holding company”;  
    (iv) in paragraph (4), by striking “a nonbank financial company supervised by the Board of Governors or”;  
    (v) in paragraph (5), by striking “a nonbank financial company supervised by the Board of Governors or” each place such term appears; and

1 (vi) in paragraph (6), by striking “the  
2 nonbank financial company supervised by  
3 the Board, any bank holding company, or  
4 any subsidiary or affiliate of the foregoing”  
5 and inserting “any bank holding company  
6 or any subsidiary or affiliate of the bank  
7 holding company”;

8 (F) in subsection (e)—

9 (i) in paragraph (1), by striking “a  
10 nonbank financial company supervised by  
11 the Board of Governors or”;

12 (ii) in paragraph (2), by striking  
13 “nonbank financial company supervised by  
14 the Board of Governors and”;

15 (iii) in paragraph (3), by striking “the  
16 nonbank financial company supervised by  
17 the Board of Governors or” each place  
18 such term appears; and

19 (iv) in paragraph (4), by striking “a  
20 nonbank financial company supervised by  
21 the Board of Governors or”;

22 (G) in subsection (f), by striking “nonbank  
23 financial companies supervised by the Board of  
24 Governors and”;

1                             (H) in subsection (g)(1), by striking “and  
2                             any nonbank financial company supervised by  
3                             the Board of Governors”;

4                             (I) in subsection (h)—

5                                 (i) by striking paragraph (1);  
6                                 (ii) by redesignating paragraphs (2)  
7                             and (3) as paragraphs (1) and (2), respec-  
8                             tively;

9                                 (iii) in paragraph (1), as so redesi-  
10                             gnated, by striking “paragraph (3)” each  
11                             place such term appears and inserting  
12                             “paragraph (2)”; and

13                                 (iv) in paragraph (2), as so redesi-  
14                             gnated, by striking “nonbank financial com-  
15                             pany supervised by the Board of Governors  
16                             or” each place such term appears;

17                             (J) in subsection (i)—

18                                 (i) in paragraph (1)—

19                                 (I) in subparagraph (A), by strik-  
20                             ing “nonbank financial companies su-  
21                             pervised by the Board of Governors  
22                             and”; and

23                                 (II) in subparagraph (B), by  
24                             striking “and nonbank financial com-  
25                             panies”; and

(ii) in paragraph (2)(A), by striking

“nonbank financial company supervised by the Board of Governors and a”;

(K) in subsection (j)—

(i) in paragraph (1), by striking “or a nonbank financial company supervised by the Board of Governors”; and

(ii) in paragraph (2), by inserting

after “section 113” the following: “(as in effect on the day before the date of the enactment of the Terminating the Expansion of Too-Big-To-Fail Act of 2012)”; and

(L) in subsection (k)(1), by striking “or  
nonbank financial company supervised by the  
Board of Governors”;

(14) in section 166 (12 U.S.C. 5366), by striking “a nonbank financial company supervised by the Board of Governors or” each place such term appears;

(15) in section 169 (12 U.S.C. 5369), by striking “and nonbank financial companies”;

(16) in section 171(b) (12 U.S.C. 5371(b))—

(A) by striking “, depository institution holding companies, and nonbank financial companies supervised by the Board of Governors”

1           each place such term appears and inserting  
2           “and depository institution holding companies”;

3           (B) in paragraph (3)—

4               (i) by striking “or nonbank financial  
5               companies supervised by the Board of Gov-  
6               ernors”; and

7               (ii) by striking “or the primary finan-  
8               cial regulatory agency in the case of  
9               nonbank financial companies supervised by  
10              the Board of Governors”; and

11           (C) in paragraph (4)—

12               (i) by striking “or by nonbank finan-  
13               cial companies supervised by the Board of  
14               Governors” each place such term appears;  
15              and

16               (ii) by adding a period at the end.

17           (b) CONFORMING AMENDMENTS.—

18               (1) BANK HOLDING COMPANY ACT OF 1956.—

19           The Bank Holding Company Act of 1956 (12 U.S.C.  
20           1841 et seq.) is amended—

21               (A) in section 13 (12 U.S.C. 1851)—

22               (i) in subsection (a), by striking para-  
23               graph (2);

24               (ii) in subsection (b)(2)(B)—

(I) in clause (i)(II), by striking “, any nonbank financial company supervised by the Board”; and

(II) in clause (ii), by striking “and nonbank financial companies supervised by the Board”;

(iii) in subsection (c)(2)—

(I) by striking “or nonbank financial company supervised by the Board”; and

(II) by striking “or 2 years after the date on which the entity or company becomes a nonbank financial company supervised by the Board”;

(iv) in subsection (e)(2), by striking “or nonbank financial company supervised by the Board” each place such term appears;

(v) in subsection (g), by striking “or nonbank financial company supervised by the Board” each place such term appears; and

(vi) in subsection (h)—

(I) by striking paragraph (3);



(i) by striking the items relating to  
sections 113, 114, 161, 162, 164, 167,  
170, 216, and 217;

15 (B) in section 201(a) (12 U.S.C.  
16 5381(a))—

17 (i) in paragraph (11)(B)—

18 (I) by striking clause (ii); and

19 (II) by redesignating clauses (iii)  
20 and (iv) as clauses (ii) and (iii), re-  
21 spectively;

22 (ii) by striking paragraphs (14) and  
23 (15); and

24 (iii) by redesignating paragraph (16)  
25 as paragraph (14):

5 (D) in section 618(a)(4)(B) (12 U.S.C.  
6 1850a(a)(4)(B))—

1 (II) by striking “, non-system-  
2 ically significant institutions not sub-  
3 ject to heightened prudential super-  
4 vision as regulated under section  
5 113”; and

(F) in section 726(a) (15 U.S.C. 8323(i)),  
by striking “a nonbank financial company (as  
defined in section 102) supervised by the  
Board, an affiliate of such a bank holding com-  
pany or nonbank financial company,” and in-  
serting “an affiliate of such a bank holding  
company;”; and

13 (G) in section 765(a) (15 U.S.C. 8343(a)),  
14 by striking “a nonbank financial company (as  
15 defined in section 102) supervised by the Board  
16 of Governors of the Federal Reserve System, af-  
17 filiate of such a bank holding company or  
18 nonbank financial company,” and inserting “af-  
19 filiate of such a bank holding company.”.

23 (A) in subparagraph (A)—

4 (ii) by striking “or of such nonbank  
5 financial company supervised by the Board  
6 of Governors”; and

(B) in subparagraph (B), by striking “a nonbank financial company supervised by the Board of Governors or”.

(4) FEDERAL RESERVE ACT.—Section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended—

20 (ii) in subparagraph (B), by striking  
21 “; and” and inserting a period; and

(iii) by striking subparagraph (C);

(5) TITLE 31.—Section 313(c)(1) of title 31,  
United States Code, is amended—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D), (E), (F), (G), and (H) as subparagraphs (C), (D), (E), (F), and (G), respectively.

**4 SEC. 3. REPEAL OF THE PAYMENT, CLEARING, AND SETTLEMENT SUPERVISION ACT OF 2010.**

6 Title VIII of the Dodd-Frank Wall Street Reform  
7 and Consumer Protection Act (12 U.S.C. 5461 et seq.),  
8 and the item relating to that title in the table of contents  
9 in section 1(b) of such Act, are hereby repealed.

